

STATE CORPORATION COMMISSION

AT RICHMOND, NOVEMBER 2, 2006

APPLICATION OF

TOLL ROAD INVESTORS  
PARTNERSHIP II, L.P.

CASE NO. PUE-2006-00081

Application for an Increase  
in the Maximum Authorized  
Level of Tolls

ORDER GRANTING REQUESTS FOR HEARINGS  
AND ESTABLISHING PROCEDURAL SCHEDULE

On July 19, 2006, as supplemented on August 2, 2006, Toll Road Investors Partnership II, L.P. ("Toll Road Investors" or "Partnership"), filed with the State Corporation Commission ("Commission") its Application of Toll Road Investors Partnership II, L.P., for an Increase in the Maximum Authorized Level of Tolls ("Application") for the Dulles Greenway.

In this Application, the Toll Road Investors propose a price schedule that contains incremental increases in the maximum two-axle vehicle toll over five years. In Application of Toll Road Investors Partnership II, L.P., Case No. PUE-2003-00230, 2004 S.C.C. Ann. Rept. 357 (July 6, 2004), the Commission adopted a phased-in maximum toll ceiling through July 1, 2007. In this Order, the Commission approved a maximum ceiling of \$2.70 effective December 31, 2005, and a maximum ceiling of \$3.00 effective July 1, 2007. The present Application seeks to make this ceiling a maximum base toll that would rise to \$4.00 effective January 1, 2012.

The Toll Road Investors seek permission to implement congestion management price premiums that would permit the maximum base toll to be increased by about 20% for weekday peak period traveling - the busiest three-hour period for each direction of traffic. For example, according to the Application, effective January 1, 2009, if approved, the maximum base toll

would be \$3.40, but the congestion management toll for eastbound morning traffic could be \$4.00, a 60¢ premium over the non-peak toll. Ultimately, the Toll Road Investors seek authority to impose a toll of \$4.80 for peak period traveling effective January 1, 2012.

The Toll Road Investors also propose that the current relationship between tolls for automobiles and trucks (defined as vehicles with three or more axles) would be revised so that effective July 1, 2007, the maximum toll for trucks would be based on the number of axles on the vehicles. The toll for three-axle trucks would remain \$6.00, but the toll for four-axle trucks would increase to \$7.50, the toll for five-axle trucks would rise to \$9.00, and the toll for six-axle trucks (the maximum size category) would be \$10.50. Under this Application, the maximum toll for each category of truck would rise incrementally through January 1, 2012.

According to the Application, the Toll Road Investors intend to continue to use the current provisions for notifying the public of any increases in the level of tolls within the maximum toll cap approved by the Commission.

On August 9, 2006, the Commission issued an Order for Notice and Comment directing the Toll Road Investors to give notice of its Application and establishing procedures for the filing of comments and requests for hearing on the Application. Thus far the Commission has received 343 comments and/or requests for hearings. The comments overwhelmingly oppose the proposed toll increase. The requests for hearing include requests for a public hearing to be held locally in Loudoun County.

NOW THE COMMISSION, upon consideration of the magnitude of comments and requests for hearing, finds that a hearing examiner should be appointed to conduct all further proceedings in this matter on behalf of the Commission; that a public hearing should be scheduled to be held in Loudoun County and an evidentiary hearing should be scheduled to be

held at the Commission; that the comment period should be extended; that the Staff be directed to investigate the Application and file testimony; and that notice should be given to the public of the procedural schedule prescribed herein.

Accordingly, IT IS ORDERED THAT:

(1) As provided by § 12.1-31 of the Code of Virginia and Rule 5 VAC 5-20-120 of the Commission's Rules of Practice and Procedure, a Hearing Examiner is appointed to conduct all further proceedings in this matter on behalf of the Commission and to issue a final report.

(2) A public hearing will be held on the Application filed by the Toll Road Investors for an increase in the maximum authorized level of tolls for the Dulles Greenway. The hearing will be held on January 30, 2007, beginning at 2:00 p.m. and reconvening at 6:30 p.m., in the Board of Supervisors Meeting Room, Loudoun County Government Center, 1 Harrison Street, S.E., Leesburg, Virginia 20177, to receive comments from public witnesses.

(3) The public hearing shall resume at 10:00 a.m. on March 13, 2007, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia to receive evidence on the Application from the Toll Road Investors, any respondents, and the Commission Staff.

(4) Comments on the Application may be continued to be filed through January 30, 2007, by either of the following methods:

A. Comments may be submitted in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of such comments shall simultaneously be sent to counsel for Partnership, Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East

Byrd Street, Richmond, Virginia 23219-4074. All correspondence shall refer to Case No. PUE-2006-00081.

Or

B. Comments may be submitted electronically by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

(5) On or before November 29, 2006, the Partnership shall serve copies of this Order on the following officials: the mayor of the Town of Leesburg, the chairs of the boards of supervisors of Fairfax and Loudoun Counties, the chair of the Washington Metropolitan Airports Authority, the chair of the Commonwealth Transportation Board, and the Secretary of Transportation of the Commonwealth. Service shall be made by first-class mail or delivery to the customary place of business or residence of the official served.

(6) The Partnership shall publish in two successive weeks the following notice as display advertising (not classified) in a newspaper or newspapers of general circulation in the Counties of Fairfax and Loudoun. Publication shall be completed by November 29, 2006.

NOTICE TO THE PUBLIC OF AN APPLICATION  
BY TOLL ROAD INVESTORS PARTNERSHIP II, L.P.,  
TO REVISE TOLLS FOR THE DULLES GREENWAY  
STATE CORPORATION COMMISSION  
CASE NO. PUE-2006-00081

By order of the State Corporation Commission dated November 2, 2006, a public hearing will be held on January 30, 2007, beginning at 2:00 p.m. and reconvening at 6:30 p.m., in the Board of Supervisors Meeting Room, Loudoun County Government Center, 1 Harrison Street, S.E., Leesburg, Virginia 20177, to receive comments from public witnesses on the Application filed by Toll Road Investors Partnership II, L.P. ("Toll Road Investors" or "Partnership") for an increase in the maximum authorized level of tolls for the Dulles Greenway. The public hearing shall resume at 10:00 a.m. on March 13, 2007, in the Commission's Courtroom, Second Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia to receive evidence on

the Application from the Toll Road Investors, any respondents, and the Commission Staff.

In this Application, the Toll Road Investors propose a price schedule that contains incremental increases in the maximum two-axle vehicle toll over five years. The maximum base toll for automobiles would rise from \$3.00, as now authorized to be effective July 1, 2007, to \$4.00 as of January 1, 2012.

The Toll Road Investors seek permission to implement congestion management price premiums that would permit the maximum base toll to be increased by about 20% for weekday peak period traveling - the busiest three-hour period for each direction of traffic. For example, according to the Application, effective January 1, 2009, if approved, the maximum base toll would be \$3.40, but the congestion management toll for eastbound morning traffic could be \$4.00, a 60¢ premium over the non-peak toll. Ultimately, the Toll Road Investors seek authority to impose a toll of \$4.80 for peak period traveling effective January 1, 2012.

The Toll Road Investors also propose that the current relationship between tolls for automobiles and trucks (defined as vehicles with three or more axles) would be revised so that effective July 1, 2007, the maximum toll for trucks would be based on the number of axles on the vehicles. The toll for three-axle trucks would remain \$6.00, but the toll for four-axle trucks would increase to \$7.50, the toll for five-axle trucks would rise to \$9.00, and the toll for six-axle trucks (the maximum size category) would be \$10.50. Under this Application, the maximum toll for each category of truck would rise incrementally through January 1, 2012. The proposed maximum tolls are:

DULLES GREENWAY  
Toll Rate Structure for All Vehicles

2-AXLE VEHICLES:

	Maximum Base Tolls	Congestion Management Tolls
January 1, 2009	\$3.40	\$4.00
July 1, 2010	\$3.70	\$4.50
January 1, 2012	\$4.00	\$4.80

VEHICLES WITH 3 AXLES OR MORE:

	<u>Maximum Base Tolls</u>				
	3 axles	4 axles	5 axles	6 axles	6+ axles
July 1, 2007	\$6.00	\$7.50	\$9.00	\$10.50	\$10.50
January 1, 2009	\$6.80	\$8.50	\$10.20	\$11.90	\$11.90
July 1, 2010	\$7.40	\$9.25	\$11.10	\$12.95	\$12.95
January 1, 2012	\$8.00	\$10.00	\$12.00	\$14.00	\$14.00

  

	<u>Congestion Management Tolls</u>				
	3 axles	4 axles	5 axles	6 axles	6+ axles
July 1, 2007	N/A	N/A	N/A	N/A	N/A
January 1, 2009	\$8.00	\$10.00	\$12.00	\$14.00	\$14.00
July 1, 2010	\$9.00	\$11.25	\$13.50	\$15.75	\$15.75
January 1, 2012	\$9.60	\$12.00	\$14.40	\$16.80	\$16.80

The Application may be inspected in the Commission's Document Control Center, Office of the Clerk of the Commission, First Floor, Tyler Building, 1300 East Main Street, Richmond, Virginia, during Commission business hours.

The unofficial text of the Commission's orders in Case No. PUE-2006-00081, the Application, and other documents may be viewed at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>.

Any interested person may participate as a respondent in the proceeding by filing, on or before December 20, 2006, an original and fifteen (15) copies of a notice of participation with the Clerk of the Commission at the address set forth above. Interested persons should obtain a copy of the Commission's Order Granting Requests for Hearings and Establishing Procedural Schedule for further details on participation as a respondent.

Comments on the Application may be submitted through January 30, 2007, in writing to Joel H. Peck, Clerk, State Corporation Commission, c/o Document Control Center, P.O. Box 2118, Richmond, Virginia 23218-2118. A copy of such comments shall simultaneously be sent to counsel for Toll Road Investors II, L.P., Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074. Or comments may be submitted electronically by following the instructions available at the Commission's website: <http://www.scc.virginia.gov/caseinfo.htm>. All correspondence shall refer to Case No. PUE-2006-00081.

TOLL ROAD INVESTORS PARTNERSHIP II, L.P.

(7) On or before December 13, 2006, the Partnership shall file a certificate of the mailing notice to the officials listed in Ordering Paragraph (4), which shall include the name and address of the official served.

(8) On or before December 13, 2006, the Partnership shall file with the Clerk proof of the newspaper publication directed by Ordering Paragraph (5).

(9) Any interested person may participate as a respondent in this proceeding by filing on or before December 20, 2006, an original and fifteen (15) copies of a notice of participation with the Clerk at the address set forth above, and shall simultaneously serve a copy of the notice of participation on counsel for the Partnership at the address set forth above. Pursuant to Rule 5 VAC 5-20-80 of the Commission's Rules of Practice and Procedure, any notice of participation shall set forth (i) a precise statement of the interest of the respondent; (ii) a statement of the specific action sought to the extent then known; and (iii) the factual and legal basis for the action. Interested parties shall refer in all of their filed papers to Case No. PUE-2006-00081.

(10) Within five (5) business days of receipt of a notice of participation as a respondent, the Company shall serve upon each respondent a copy of this Order, a copy of the Application, and all materials filed with the Commission, unless these materials have already been provided to the respondent.

(11) On or before January 24, 2007, each respondent may file with the Clerk at the address set forth in Ordering Paragraph (4) above an original and fifteen (15) copies of any testimony and exhibits by which it expects to establish its case and shall serve copies of the testimony and exhibits on counsel to the company and all other respondents. The respondent shall comply with Rules 5 VAC 5-20-140, 5 VAC 5-20-150, and 5 VAC 5-20-240 of the Commission's Rules of Practice and Procedure.

(12) The Commission shall investigate the Toll Road Investors' Application for an increase in the maximum authorized level of rates. On or before February 16, 2007, the Staff shall file with the Clerk of the Commission an original and fifteen (15) copies of the Staff's testimony and exhibits regarding the captioned Application and shall promptly serve a copy on counsel to the Partnership and all respondents.

(13) On or before February 28, 2007, the Toll Road Investors shall file with the Clerk of the Commission an original and fifteen (15) copies of any rebuttal testimony and exhibits of the respondents and the Commission Staff and shall on the same day serve one (1) copy on Staff and all respondents.

(14) The Partnership and any respondents shall respond to written interrogatories within fourteen (14) calendar days after receipt of same. Except as modified above, discovery shall be in accordance with the Commission's Rules of Practice and Procedure.

(15) This matter is continued pending further orders of the Commission.

AN ATTESTED COPY hereof shall be sent by the Clerk of the Commission to:

Richard D. Gary, Esquire, Hunton & Williams LLP, Riverfront Plaza, East Tower, 951 East Byrd Street, Richmond, Virginia 23219-4074; and the Commission's Office of General Counsel and Divisions of Economics and Finance and Public Utility Accounting.